



**ScottishPower**

Regulation & Commercial

Paul Beard  
Head of Compliance  
Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3GE

Your ref

Our ref

Date  
13 March 2002

Contact/Direct Line

Dear Paul,

**Marketing Gas & Electricity - February 2002**

In response to the above consultation on Marketing Gas and Electricity, Scott&Power Energy Retail support Ofgem's proposal to extend the existing Marketing Licence conditions to March 2004.

We agree with Ofgem that it is the inappropriate behaviour of a small minority of sales agents which has unfortunately given rise to the need for the regulation provided by the Marketing Condition. We are pleased that Ofgem recognises the importance of doorstep and direct sales in providing information on the benefits of competition to all types of consumers particularly those on lower income and disadvantaged groups.

Since the introduction of competition in the domestic market, We has taken a number of measures to ensure all sales carried out by us or on our behalf, are conducted in an appropriate manner. These measure include a comprehensive training package, dealing with product knowledge, sales techniques specific to the sales channels and the marketing licence conditions. The package is continuously being updated and improved.

In order to tackle the specific issue raised in the consultation relating to customers 'signing for information', we have taken steps to increase the customer's awareness that they are entering into a contract. These include:

- The inclusion of a large data box, adjacent to the customer signature box, clearly stating that the customer is entering into a contract.
- We have also introduced a watermark, which the customer must sign over to validate the contract.

The fact remains that, customers alleging that they or a partner/relative signed for information only, are extremely difficult to prove or disprove. Performance management statistics can assist in developing a trend against any individual sales agent and we have a tracking mechanism in place to monitor these stats on a daily and weekly basis.

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It is worthy of note that, in the last six months, ScottishPower Energy Retail has significantly increased the size of its sales force, with no marked change to complaint levels.

### **The Future**

We support the proposal that, in the future, each supplier should have a named officer responsible for compliance with the marketing licence condition and consumer protection legislation. We have such a named officer already appointed contact details are available on request.

Scott&Power Energy Retail would ask Ofgem to reconsider the establishment of a sales agency 'Not To Be Re-Deployed' list which would then be shared with other suppliers. The legality and legitimacy of setting up such a scheme must be taken into account, however, if no list is established, then unsuitable sales agents will continue to circulate around the supplier network.

We would also like to suggest that an interim review of the requirement for, and suitability of, the Marketing Licence condition is undertaken at the beginning of 2003. This review would attempt to establish whether or not complaints have fallen to levels that would allow for the Marketing Condition to be relaxed or modified for the remaining 12 months.

The Marketing Expert Group could be re-established to conduct this review, with an additional remit to examine how the marketing of gas and electricity should be regulated in the future, post March 2004.

We would have preferred to be able to argue for a lifting of the marketing condition at this time. However, it is our experience that the licence condition provides a minimum standard that all suppliers must achieve and we would urge Ofgem to monitor closely suppliers processes and procedures in this area to ensure that quality sales are achieved while the Marketing Condition remains in place.

Should you require any further information, please do not hesitate to contact me on 0141 568 8608 or by email at [ainsley.l.crawford@scottishpower.com](mailto:ainsley.l.crawford@scottishpower.com)

Yours sincerely,



**Ainsley Crawford**  
**Regulation, Customer Sales & Service**